

Briefing Statement

Bureau: National Park Service
Issue: Final Rule on Concessions Authentic Native Handicrafts
Park Site: WASO
Date: June 11, 2007

Purpose: Provide information on the Final Rule on Authentic Native Handicrafts definitions and requirement for authentic native handicrafts to be identified with a label to attest to the item's authenticity, in order to be eligible for franchise fee exemption. The label requirement does not change the existing concessioner documentation requirements and practices for authentic Native Handicrafts. Effective date of Final Rule is July 12, 2007.

Background:

For many years it has been the policy of the National Park Service (NPS) to encourage its concessioners to sell native handicrafts to park area visitors. The Congress, through Section 416 of the National Parks Omnibus Management Act of 1998 (1998 Act), embodied this policy into law, stating that:

Promoting the sale of authentic United States Indian, Alaska Native, Native Samoan, and Native Hawaiian handicrafts relating to the cultural, historical and geographic characteristics of units of the National Park System is encouraged, and the Secretary shall ensure that there is a continuing effort to enhance the handicraft trade where it exists and establish the trade in appropriate areas where the trade currently does not exist.

In furtherance of this objective, Section 416(b) of the 1998 Act exempts the revenue derived by NPS concessioners from the sale of United States Indian, Alaska Native, Native Samoan and Native Hawaiian handicrafts from concession contract franchise fees. This final regulation collectively refers to these handicrafts as "authentic native handicrafts."

Also, Section 417 of the 1998 Act requires the Secretary of Interior (Secretary) "to promulgate regulations which further define the term 'United States Indian, Alaskan Native, and Native Hawaiian handicrafts' for the purposes of this title." This regulation gives guidance to the NPS and NPS concessioners to determine what products meet the definition and label requirements of authentic native handicrafts for purposes of franchise fee exemptions and other elements of the NPS concession management program.

Section 409 of the 1998 Act (16 U.S.C. 5958) requires the National Park Service Concessions Management Advisory Board (Advisory Board) to make recommendations to the Secretary regarding the nature and scope of products that qualify as authentic native handicrafts with the meaning of the 1998 Act:

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- Regulation was developed in coordination with the NPS Concessions Management Advisory Board and the Indian Arts and Crafts Board (IACB). The rule incorporated the Indian Arts and Crafts Board's (IACB) definitions of terms.
- It was published for public comment in the *Federal Register* on March 25, 2004. The comments period was open for 60 days.
- There were no public comments received and just two internal comments: one from the DOI Office of the Solicitor requesting the use of term Alaska Native, and the second from the Office of the Assistant Secretary for Policy, Management and Budget requesting that we consider requiring sales items that are authentic native handicrafts be identified with a label to attest to the item's authenticity, in order to be eligible for franchise fee exemption. This requirement is in addition to the standard concession contract requirement that concessioners provide receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaska Native, Native Samoan, or Native Hawaiian handicrafts.
- The final regulation was changed to incorporate both these recommendations.
- Labels are now required to designate authentic native crafts, in addition to the requirement that concessioners providing receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaska Native, Native Samoan, or Native Hawaiian to be eligible for franchise fee exemption.
- The effective date for the implementation of the Final Rule is July 12, 2007.

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